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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

KRISTIN K. MAYES - Chairman

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2010 MAY 21 A 9:40

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS ANTHEM
WATER DISTRICT AND ITS SUN CITY
WATER DISTRICT.

DOCKET NO. W-01303A-09-0343

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS
ANTHEM/AGUA FRIA WASTEWATER
DISTRICT AND ITS SUN CITY WEST
WASTEWATER DISTRICT.

DOCKET NO. SW-01303A-09-0343

STAFF'S NOTICE OF FILING
TESTIMONY SUMMARIES

Staff of the Arizona Corporation Commission ("Staff") hereby files the Testimony Summaries
of Elijah Abinah and Jeffrey M. Michlik of the Utilities' Division in the above matter.

RESPECTFULLY SUBMITTED this 21st day of May 2010.

Arizona Corporation Commission

DOCKETED

MAY 21 2010

DOCKETED BY

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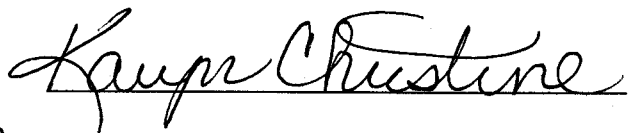
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**EXECUTIVE SUMMARY OF ELIJAH ABINAH
ARIZONA-AMERICAN WATER COMPANY
DOCKET NOS. W-01303A-09-0343; SW-01303A-09-0343**

My Testimony addresses the issue of Rate Consolidation/System interconnection. Also known as Single Tariff Prices.

Staff believes where and when it makes sense, where and when it is technically and financially feasible and appropriate the Commission should consider and possible order rate consolidation/system interconnection.

As stated in Staff's testimony, Staff supports the concept of rate consolidation/system interconnection where appropriate. However, in this instant case, Staff recommends that the Commission maintain the status quo by adopting a stand alone rate.

However, if the Commission is inclined to implement rate consolidation, the Commission could order Arizona-American to implement the rate design proposed in Mr. Michlik's testimony.

**EXECUTIVE SUMMARY OF JEFFREY M. MICHLIK
ARIZONA-AMERICAN WATER COMPANY
DOCKET NOS. W-01303A-09-0343; SW-01303A-09-0343**

The testimony of Mr. Michlik addresses the following:

Rate Design

Individual Stand-Alone Rates – Staff continues to recommend Individual Stand-Alone Rates for those water and wastewater districts included in docket 09-0343, in lieu of consolidation.

Staff will also speak on the following issues:

Anthem/Aqua Fria Residential Wastewater Customers – Staff recommends that for these customers the customer charge be based on customer flows.

Private Fire – Staff recommends that private fire rates be the greater of 2 percent of the comparative monthly meter minimum charge or \$10.00.

Infrastructure Improvement Surcharge – Staff does not recommend an infrastructure improvement surcharge.

Sun City Low Income Program – Staff recommends a low income program for Sun City customers.